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AND  
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E-Filed on 5/8/07

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Attorneys for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

**In re:**

**USA Commercial Mortgage Company  
06-10725 – Lead Case**

**USA Capital Realty Advisors, LLC  
06-10726**

**USA Capital Diversified Trust Deed Fund,  
LLC  
06-10727**

**USA Capital First Trust Deed Fund, LLC  
06-10728**

**USA Securities, LLC  
06-10729**

**Debtors.**

Jointly Administered

Chapter 11 Cases

Judge Linda B. Riegle Presiding

**Affecting:**

☐ All Cases

**or Only:**

☒ USA Commercial Mortgage Company

☐ USA Capital Realty Advisors, LLC

☐ USA Capital Diversified Trust Deed Fund, LLC

☐ USA Capital First Trust Deed Fund, LLC

☐ USA Securities, LLC

**Declaration of Edward M. Burr in Support of Motion to Extend  
Deadline to Object to Allowance of Claims and Equity Interest**

I, Edward M. Burr, hereby declare under penalty of perjury that:

1. I am a principal with Sierra Consulting Group, LLC ("Sierra").

2. I submit this declaration on behalf of the Motion to Extend Deadline to Object to Allowance of Claims and Equity Interest (the "Motion") filed by the USACM Liquidating Trust (the "USACM Trust").

3. This Court approved the appointment of Sierra as financial adviser to the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company



1 ("Committee" and "USACM") on August 11, 2006. Since that date, I have assisted the  
2 Committee in analyzing facts concerning these jointly administered bankruptcy cases,  
3 including scheduled liabilities and proofs of claim. The Committee ceased to exist on  
4 March 12, 2007, the Effective Date of the Debtors' Third Amended Joint Chapter 11 Plan  
5 of Reorganization ("Plan"), and I am now assisting the USACM Liquidating Trust  
6 ("USACM Trust") created under the Plan.

7 4. I make the following declaration based upon my personal knowledge, and  
8 upon the records of the Debtors described in this declaration.

9 5. I understand that under Plan as modified by the Confirmation Order, the  
10 deadline for the Committee or the USACM Trust to object to Allowance of Claims and  
11 Equity Interests is 90 days after the Effective Date, or June 10, 2007.

12 6. Approximately 2,465 proofs of claim have been filed claiming:  
13 \$2,812,293.40 as administrative; \$286,969,330.16 as secured; \$4,479,076.12 as priority;  
14 and \$453,310,042.10 as unsecured. This compares to approximately 2,319 scheduled  
15 claims: \$169,742 priority and \$59,353,361 unsecured.

16 7. I have been working with BMC Group, Inc., the Court-authorized Claims  
17 Agent for the Debtors, to prepare an accurate database for claims analysis and  
18 reconciliation as well as for disbursement purposes once the allowed amounts are known.  
19 It now compares the scheduled and proof of claim amounts.

20 8. Over 1,600 of the proofs of claim were filed by Direct Lenders, asserting  
21 claims based on their interests in numerous loans serviced by the USACM. Many of these  
22 claims asserted secured status because of the Direct Lenders' security interests in their  
23 borrowers' property as loan collateral. Omnibus objections to the secured status of the  
24 claims have been filed.

25 9. The numerous Direct Lender claims require careful analysis as unsecured  
26 claims, too. I am working on including sub-categories in the claims database to classify

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1 them on a loan-by-loan basis, so that all the Direct Lender claims based on their  
2 percentage interests in any specific loan can be evaluated. As an example, if a Direct  
3 Lender filed a proof of claim for its 5% share of a loan in the Fiesta Oak Valley project,  
4 then this claim will be classified as "Unsecured – Fiesta Oak Valley" for that 5%, and  
5 similarly broken down for the other portions of that Direct Lender's claim.

6 10. The preparation of the subcategories of claims is important, and also time  
7 consuming. Among other things, some of the loans included in the proofs of claim have  
8 been paid in full, and some of the loans are performing loans. Also, some of the proofs of  
9 claim in the USACM case are based in part on interests that the Direct Lenders have in  
10 DTDF or FTDF.

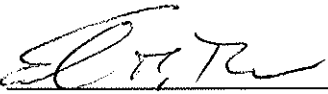
11 11. In addition to the unique aspects of Direct Lender claims, the sheer volume  
12 of 2,465 proofs of claim entails considerable time and effort to review and evaluate for  
13 other potential objections. All proofs of claim need to be evaluated to determine such  
14 facts as whether the proof of claim was signed and includes appropriate supporting  
15 documentation to support the claim, was appropriately filed in the USACM case instead of  
16 one of the related cases, whether the claimant is an insider or related entity, and other  
17 similar issues.

18 12. In addition, just days before the Effective Date the Debtor amended its  
19 schedule of liabilities and then again a few days after the Effective Date. Some creditors  
20 whose scheduled amounts were changed from the original schedules may seek to file a  
21 proof of claim or an amended claim. If so, an additional review will have to be performed  
22 of any new proofs of claim that are considered timely filed.

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1 I make this declaration under penalty of perjury of the laws of the United States of  
2 America on May 8, 2007.

3 Dated May 8, 2007.

4 By   
5 Edward M. Burr  
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